

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

April 26, 2012

Billy R. Millwee
State Medicaid Director
PO Box 13247, MC: H-100
Austin, TX 78711-5200

Dear Mr. Millwee:

We have reviewed Texas State Plan Amendment (SPA) 12-003 received in the Dallas Regional Office on February 1, 2012. This amendment revises the submission date to CMS for the model supplemental rebate agreement and model program benefit agreement from the Texas Health and Human Services Commission (HHSC). It clarifies the circumstances under which a drug will be placed on HHSC's preferred drug list (PDL). Changes made to the agreements include aligning the agreements with Section 2501 of the Affordable Care Act, which allows state Medicaid agencies to collect supplemental rebates on pharmacy claims paid by Medicaid managed care organizations. The revised model agreements also include an updated definition of Average Manufacturer Price and updated PDL criteria. Non-substantive changes were also made to language in the model agreements. We are pleased to inform you that the amendment is approved, effective May 1, 2012.

A copy of the pages approved for incorporation into the Texas' State Plan will be forwarded by the Dallas Regional Office. If you have any questions regarding this request, please contact Angel Davis at (410) 786-4693.

Sincerely,

/s/

Larry Reed
Director
Division of Pharmacy

cc: Bill Brooks, ARA DMCHO, Dallas Regional Office
Billy Bob Farrell, Dallas Regional Office
Cheryl Rupley, Dallas Regional Office